

**Bekaert**

Belgium/General Industrials

Analysers

**Hold**

Recommendation unchanged

**Share price: EUR 26.60**

closing price as of 05/02/2015

**Target price: EUR 27.50**

Target Price unchanged

Reuters/Bloomberg

BEKB.BR/BEKB.BB

Market capitalisation (EURm)	1,599
Current N° of shares (m)	60
Free float	61%
Daily avg. no. trad. sh. 12 mth	120,373
Daily avg. trad. vol. 12 mth (m)	3,189
Price high 12 mth (EUR)	29.93
Price low 12 mth (EUR)	22.90
Abs. perf. 1 mth	5.56%
Abs. perf. 3 mth	6.40%
Abs. perf. 12 mth	6.34%

Key financials (EUR)	12/13	12/14e	12/15e
Sales (m)	3,186	3,195	3,823
EBITDA (m)	297	324	409
EBITDA margin	9.3%	10.1%	10.7%
EBIT (m)	137	176	222
EBIT margin	4.3%	5.5%	5.8%
Net Profit (adj.)(m)	45	78	123
ROCE	4.3%	4.5%	5.6%
Net debt/(cash) (m)	574	859	1,021
Net Debt/Equity	0.4	0.6	0.6
Debt/EBITDA	1.9	2.7	2.5
Int. cover(EBITDA/Fin. int)	4.7	6.1	7.4
EV/Sales	0.7	0.8	0.7
EV/EBITDA	7.5	7.9	6.7
EV/EBITDA (adj.)	7.4	8.0	6.6
EV/EBIT	16.2	14.5	12.3
P/E (adj.)	34.0	20.2	13.0
P/BV	1.1	1.2	1.1
OpFCF yield	12.6%	-14.5%	-6.6%
Dividend yield	3.2%	3.2%	3.4%
EPS (adj.)	0.76	1.31	2.04
BVPS	22.41	22.78	23.83
DPS	0.85	0.85	0.90



Shareholders: Bekaert Fam. &amp; Rel. 39%;

## Analyst(s):

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**Bekaert reinforces its position in rope**

**The facts:** Yesterday evening Bekaert announced it has reached an agreement with Arrium Ltd for the acquisition of its wire ropes business in Newcastle, Australia.

**Our analysis:** The deal includes all of the personnel and assets of the business. The transaction is estimated to add EUR 40m to Bekaert's consolidated sales on an annual basis and has an EV of around EUR 60m.

As customary, the deal is subject to customary closing conditions. The closing of the deal is anticipated in the course of 1Q15.

The acquisition will be integrated in the Bekaert Rope Group. In this newly established Group, Bekaert and their Chilean partners hold 65% and 35% respectively of all ropes entities in Canada, Chile, Peru, Brazil and the US.

The company also announced this morning that it has finalized the acquisition of Pirelli assets, as scheduled.

**Conclusion & Action:** Nice add-on that allows Bekaert to reinforce its position as well as its geographical presence in the attractive ropes activity. It is our understanding that this activity is one of the most profitable for the group next to the tire cord activity. We are maintaining our Hold recommendation and EUR 27.5 TP.